



MICHIGAN  
HOUSE OF REPRESENTATIVES  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

## HOUSE STANDING COMMITTEE ON REGULATORY REFORM

Wednesday, December 7, 2016      9:00 a.m.      Room 519 House Office Building

Representative Ray A. Franz, Chair, called the meeting to order.

Chair Franz requested attendance be called to establish a quorum of the appointed committee members:

Present: Reps. Franz, Brett Roberts, Yonker, Kesto, Lauwers, Crawford, Garcia, Iden, Howell, Dianda, Darany, Lane, Schor, Chirkun, and Moss.

Absent: None.

Excused: None.

Representative Dianda moved to approve the minutes of the November 30th, 2016 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid SB 448 before the committee:

SB 448      (Proos)      Liquor; other application process for refund to distiller of spirits of gross profits paid to commission annually; provide for.

Senator Proos testified in support of his bill.

The Chair laid the committee at ease the time being 9:13 a.m.

The Chair brought the committee to order, the time being 9:18 a.m.

Senator Proos continued to testify on his bill.

Representative Yonker moved to adopt substitute (H-3) to SB 448. The motion prevailed by a vote of 12-0-0.

### FAVORABLE ROLL CALL:

Yeas: Reps. Franz, Brett Roberts, Yonker, Kesto, Crawford, Iden, Howell, Dianda, Darany, Lane, Schor and Chirkun.

Nays: None.

Pass: None.

Tony Mitchell, representing the Michigan Spirits Association, testified in opposition to the bill.

Spencer Nevins, representing the Michigan Beer and Wine Wholesalers, submitted a card with a neutral position on the bill, but did not wish to speak.

The following people submitted a card in support of the bill, but did not wish to speak:

Jon O'Conner, representing the Michigan Craft Distillers Association.

Scott Ellis, representing the Michigan License Beverage Association.

Rick Wyble, representing American Fifth Spirits.

Dan Papineau, representing the Associated Food and Petroleum Dealers.

The Chair laid SB 973 before the committee:

SB 973 (Hildenbrand) Liquor; licenses; eligible merchants that may fill and sell growlers of beer; expand to include specially designated distributors.

Christine Simon, representing the Office of Senator Hildenbrand, Linda Gobler, representing the Michigan Grocers Association, and Dan Papineau, representing the Associated Food and Petroleum Dealers, testified in support of the bill. Questions and discussion followed.

The Chair returned to SB 448.

Kerry Krone and Steve Robinson, both representing the Michigan Liquor Control Commission, testified in opposition to the bill.

Representative Schor offered the following amendment to SB 448 (H-3):

1. Amend page 3, line 11, after "**YEAR.**" by inserting "**HOWEVER, A CHANGE IN THE PERCENTAGE OF THE GROSS PROFIT DESCRIBED IN SUBSECTION (1)(A) TO (S) BECOMES EFFECTIVE IN A CALENDAR YEAR ONLY IF THE CHANGE IN THE PERCENTAGE OF PROFIT FROM THE PREVIOUS CALENDAR YEAR DID NOT RESULT IN A DECREASE IN REVENUE TO THIS STATE BECAUSE OF THE CHANGE IN THE PERCENTAGE OF PROFIT FROM THE PREVIOUS CALENDAR YEAR.**".

Questions and discussion was held between the committee members.

Representative Schor moved to adopt the amendment to SB 448 (H-3). The motion prevailed by a vote of 13-2-0.

**FAVORABLE ROLL CALL:**

Yeas: Reps. Franz, Brett Roberts, Yonker, Kesto, Lauwers, Crawford, Howell, Dianda, Darany, Lane, Schor, Chirkun and Moss.

Nays: Reps. Garcia and Iden.

Pass: None.

Representative Lauwers moved to report SB 448, as amended, as substitute (H-4) with recommendation. The motion prevailed by a vote of 13-1-1.

**FAVORABLE ROLL CALL:**

Yeas: Reps. Franz, Yonker, Lauwers, Crawford, Garcia, Iden, Howell, Dianda, Darany, Lane, Schor, Chirkun, and Moss.

Nays: Rep. Brett Roberts.

Pass: Rep. Kesto.

The Chair returned to SB 973.

The following people submitted a card in support of the bill, but did not wish to speak:

Amy Drumm, representing the Michigan Retailers Association.

Andrew Martin, representing Meijer.

Scott Graham, representing the Michigan Brewers Guild.

The following people submitted a card with a neutral position of the bill, but did not wish to speak:

Robert O'Meara, representing the Michigan Restaurant Association.

Spencer Nevins, representing the Michigan Beer and Wine Wholesalers.

Kerry Krone and Julie Wendt, representing the Michigan Liquor Control Commission, submitted a card with no position on the bill.

Representative Kesto moved to report SB 973 with recommendation. The motion prevailed by a vote of 15-0-0.

**FAVORABLE ROLL CALL:**

Yeas: Reps. Franz, Brett Roberts, Yonker, Kesto, Lauwers, Crawford, Garcia, Iden, Howell, Dianda, Darany, Lane, Schor, Chirkun and Moss.

Nays: None.

Pass: None.

There being no further business to come before the committee, the Chair adjourned the meeting the time being 9:38 a.m.

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Representative Franz, Chair

Angie Lake  
Committee Clerk  
December 7th, 2016

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Date Approved and Signed